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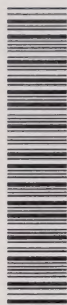
TO

STANDING COMMITTEE OF THE HOUSE OF COMMONS  
ON FISHERIES AND OCEANS

BY THE HONORABLE M. DOUGLAS YOUNG  
MINISTER OF FISHERIES AND AQUACULTURE  
GOVERNMENT OF NEW BRUNSWICK

FREDERICTON

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ON BEHALF OF THE GOVERNMENT OF NEW BRUNSWICK, IT IS INDEED A PLEASURE FOR ME TO WELCOME THE MEMBERS OF THE STANDING COMMITTEE OF THE HOUSE OF COMMONS ON FISHERIES AND OCEANS TO OUR PICTURE PROVINCE.

THE FISHING AND AQUACULTURE INDUSTRIES HAVE A CONSIDERABLE IMPACT ON OUR ECONOMIC ACTIVITIES. IN 1986, THE VALUE OF FISH LANDINGS WAS CLOSE TO 98 MILLION \$, WHILE THE TOTAL VALUE OF PROCESSED PRODUCTS WAS ESTIMATED AT 350 MILLION \$. WITH REGARDS TO AQUACULTURE, SALMON PRODUCTION FOR 1988 IS ESTIMATED TO BE OVER 43 MILLION \$.

#### SOCIO-ECONOMIC CONSIDERATIONS

A MAJOR AND MOST WELCOMED BENEFIT OF AQUACULTURE DEVELOPMENT, IS THE CREATION OF FULL TIME EMPLOYMENT. THIS IS A SIGNIFICANT CHANGE FROM THE EMPLOYMENT GENERATED THROUGH OUR FISH RESOURCES IN THE PAST.

I WOULD BE REMISS IF I WOULD NOT TAKE THIS OPPORTUNITY TO ADDRESS UNDER THE HEADING OF 'EMPLOYMENT', THE PLIGHT OF THE QUEBEC-NEW BRUNSWICK CONSORTIUM, 'NOVA NORD' WHICH IS ATTEMPTING TO SECURE NEEDED FULL TIME EMPLOYMENT FOR OUR FISH PLANT WORKERS.



OVER THE PAST TWO DECADES, SEASONAL EMPLOYMENT IN OUR FISHING INDUSTRY HAS EVOLVED INTO A VERY SHORT WORK SEASON. A NUMBER OF FACTORS HAVE INFLUENCED THIS SITUATION. ONE WHICH HAS HAD A CONSIDERABLE IMPACT IS THE REQUIREMENT PLACED UPON NEW BRUNSWICK TO SHARE ITS HISTORICAL CATCHES WITH OTHERS. THE LIMITED RESOURCES AVAILABLE IN THE GULF OF ST. LAWRENCE HAVE BEEN DIVIDED UP AND NEW BRUNSWICK HAS LOST IN THE EXCHANGE. OUR RELATIVE SHARE OF GROUND FISH IS HALF OF WHAT IT WAS A DECADE AGO. WE NOW MUST NOW SHARE THE CRAB INDUSTRY WHICH WAS ORIGINALLY DEVELOPED BY OUR FISHERMEN AND OUR PROCESSORS. NEW BRUNSWICK IS FAMILIAR WITH MAKING LOCAL RESOURCES AVAILABLE TO ALL 'CANADIANS'. WE NOW ASK THAT NEW BRUNSWICK GET ITS FAIR SHARE OF AN EAST COAST RESOURCE: NORTHERN COD. THE FEDERAL GOVERNMENT MUST BE SENSITIVE TO THE FACT THAT THE DEVELOPMENT OF A SMALL FREEZER TRAWLER FLEET BY 'NOVA NORD' WOULD HAVE A CONSIDERABLE IMPACT IN REDUCING SEASONAL EMPLOYMENT IN OUR FISH PLANTS.

WE WISH TO TAKE PART IN EXPLOITING THE RESOURCES AVAILABLE TO CANADIANS IN OUR 200 MILE ECONOMIC ZONE AND WE TRUST THAT WE WILL BE ABLE TO ENLIST YOUR SUPPORT AND YOUR POSITIVE EFFORTS TOWARDS INSURING AN EQUITABLE DISTRIBUTION OF RESOURCES AVAILABLE TO ALL CANADIANS.





AQUACULTURE WILL IMPACT SOCIALLY ON LOCAL POPULATIONS. WITH PROPER PLANNING THE IMPACT WILL BE POSITIVE AND BENEFICIAL. WE CONSIDER THAT GOVERNMENT MUST NOT HINDER OR REDUCE THE ECONOMIC BENEFITS OR THE COMPETITIVE POSITION OF FISH FARMERS BY THE ADDITION OF SPECIAL SOCIAL REQUIREMENTS.

WITHOUT A DOUBT, WE WANT TO PRESERVE THE ECONOMIC ADVANTAGE WE HAVE IN ATLANTIC SALMON AQUACULTURE.

THE INDUSTRY HAS CONTRIBUTED TO REGIONAL DEVELOPMENT BY BOOSTING THE LOCAL ECONOMY. DISPOSABLE INCOME IS GENERATED IN AN AREA OF HIGH UNEMPLOYMENT. FOR EVERY \$10.00 WORTH OF SALMON SALES, \$3.00 GOES INTO THE LOCAL ECONOMY FOR FISH FEED PROVIDING NEW DEMAND AND MARKET OPPORTUNITIES FOR TRADITIONAL FISHERY PRODUCTS SUCH AS HERRING, FISH OIL, FISH MEAL AND FISH WASTES FROM PROCESSING OPERATIONS. IT IS ESTIMATED THAT OVER 500 PEOPLE ARE DIRECTLY EMPLOYED IN EXPLOITATION OF THE VARIOUS SPECIES ASSOCIATED WITH AQUACULTURE.





THE SERVICE INDUSTRIES BEING CREATED OR ENHANCED INCLUDE FEED MANUFACTURING PLANTS, SAWMILLS, WELDING SHOPS, CEMENT PLANTS, PACKAGING PLANTS, ESTABLISHMENTS ASSOCIATED WITH THE TRANSPORTATION INDUSTRY, NETTING AND GEAR SUPPLIERS AND THERAPEUTIC DRUG SUPPLIERS.

WE ARE FORTUNATE IN NEW BRUNSWICK TO HAVE AN AREA WHICH IS ENVIRONMENTALLY SUITED TO SALMON CULTURE AS WELL AS BEING IN CLOSE PROXIMITY TO THE U.S. MARKET. MANY AGENCIES AND INSTITUTIONS HAVE BEEN ACTIVE IN SUPPORTING AQUACULTURE BUT FISHERIES AND OCEANS CANADA AND FISHERIES AND AQUACULTURE NEW BRUNSWICK ARE CLEARLY THE TWO AGENCIES WHO HAVE PROMOTED AND NURTURED DEVELOPMENT TO ITS CURRENT LEVEL.

#### THE GOVERNMENT'S MISSION IN FOSTERING DEVELOPMENT IN AQUACULTURE

WE IN NEW BRUNSWICK LIKE GOVERNMENTS ELSEWHERE HAVE SUBSTANTIALLY INFLUENCED THE ORGANIZATION AND STRUCTURE OF THE AQUACULTURE INDUSTRY. WE SUPPORT A BLEND OF LARGE, MEDIUM AND SMALL SIZE ENTERPRISES, IN ORDER TO PROVIDE LONG TERM INDUSTRY STABILITY AND COMPETITIVENESS.



NORWAY HAS GONE TO GREAT LENGTHS IN AREAS SUCH AS MAXIMUM SIZE AND OWNERSHIP OF FACILITIES, YET, HAS BEEN VERY OPEN ENDED IN THE AREA OF DISEASE MONITORING AND CONTROL. NEW BRUNSWICK RECOGNIZES THE NEED TO CAREFULLY MONITOR SITES FOR HEALTH AND ENVIRONMENTAL PURPOSES. OUR MAIN PREMISE IS THAT THE MOST APPROPRIATE ROLE FOR GOVERNMENT IS TO PROVIDE:

- IMPORTANT INFRASTRUCTURAL INSTALLATIONS
- HEALTHY BUSINESS CLIMATE AND FINANCIAL ENVIRONMENTS
- RULES FOR THE INDUSTRY
- COMPETITIVE ALTERNATIVES FOR INPUTS TO PRODUCTION AND OUTPUT MARKET OPPORTUNITIES.

WE CONSIDER THAT SUCH INPUT TO PRODUCTION, BE IT MANUFACTURE OF FEEDS, SMOLT SUPPLY, MACHINERY AND EQUIPMENT, CAN BE SUPPLIED LOCALLY AND FROM PRIVATE SECTOR INITIATIVES.

#### FEDERAL-PROVINCIAL RELATIONS

WE SUPPORT THE DEPARTMENT OF FISHERIES AND OCEANS AS THE LEAD AGENCY IN AQUACULTURE ON THE FEDERAL SIDE.





WE HAVE WORKED CLOSELY WITH THE FEDERAL DEPARTMENT OF FISHERIES AND OCEANS SINCE 1983 AND HAVE WORKED UNDER A JOINT STRATEGY SINCE THE SPRING OF 1984. THIS JOINT STRATEGY HAS FORMALIZED THE PLANNING PROCESS. DESPITE THE FACT THAT WE DO NOT HAVE A MEMORANDUM OF UNDERSTANDING, THE TERMS OF REFERENCE FOR THE SOUTHWEST NEW BRUNSWICK AQUACULTURE DEVELOPMENT COMMITTEE (THROUGH WHICH THE STRATEGY WAS DEVELOPED) FORMS THE BASIS FOR THE MEMORANDA OF UNDERSTANDING THAT HAVE BEEN SIGNED BETWEEN THE DEPARTMENT OF FISHERIES AND OCEANS AND OTHER PROVINCES. WE ARE, HOWEVER, PRESENTLY IN THE PROCESS OF DEVELOPING ONE FOR NEW BRUNSWICK.

AN IMPORTANT AGREEMENT HAS BEEN REACHED AMONG DFO, ACOA AND DFA, WHEREBY AN EVALUATION SUB-COMMITTEE FOR HATCHERY DEVELOPMENT HAS BEEN APPOINTED TO DEAL WITH PROPOSALS RELATED TO ALL CULTURED SPECIES.

WITH REGARDS TO THE INVOLVEMENT OF OTHER FEDERAL AGENCIES<sup>1</sup>, A GREATER PRO-ACTIVE ATTITUDE IS REQUIRED IF WE ARE TO FOSTER COHERENT DEVELOPMENT IN AQUACULTURE.





## LEGISLATION

LEGISLATION IS CURRENTLY BEING DEVELOPED. IT WILL BE REVIEWED BY THE INDUSTRY OVER THE NEXT FEW MONTHS. THE INDUSTRY WILL BE ENCOURAGED TO BE SELF REGULATING TO THE GREATEST EXTENT POSSIBLE. THE REGULATORY FRAMEWORK BEING DEVELOPED WILL GOVERN HATCHERIES, AS WELL AS, FRESHWATER AND MARINE CULTURE OPERATIONS.

THE DEPARTMENT OF FISHERIES AND AQUACULTURE WILL ESTABLISH AN AQUACULTURE BRANCH WITH THE RESPONSIBILITY TO ENSURE THE ORDERLY DEVELOPMENT OF THE INDUSTRY. THE BRANCH WILL LICENSE AQUACULTURE FACILITIES, PROVIDE THE TENURE ARRANGEMENT FOR PROVINCIAL LAND USED IN AQUACULTURE PRODUCTION, ESTABLISH, MONITOR AND ENFORCE STANDARDS RELATED TO FISH HEALTH, FISH TRANSPORT AND GENETIC INTEGRITY AS WELL AS FACILITATE THE MONITORING OF ENVIRONMENTAL IMPACT.



## RESEARCH REQUIREMENTS

ADDITIONAL EFFORTS IN RESEARCH ARE URGENTLY NEEDED SPECIALLY IN THE AREA OF INTENSIVE CULTURE SYSTEMS.

ALSO OF SPECIAL INTEREST IS THE REQUIRED RESEARCH INTO GROWING CONDITIONS ON THE EAST COAST, WHICH ARE CONSIDERABLY DIFFERENT THAN IN THE BAY OF FUNDY.

SALMON CULTURE TECHNOLOGIES FOR INSTANCE, DEVELOPED IN THE SOUTH, CANNOT BE INTRODUCED IN EASTERN NEW BRUNSWICK.

IN ADDITION, WE ARE STRUGGLING TO DEVELOP A MOLLUSK CULTURE INDUSTRY, IN PARTICULARLY, OYSTERS AND MUSSELS.

THESE ACTIVITIES AS WELL AS THE ENTREPRENEURS THAT ARE PIONEERS IN THIS NEW INDUSTRY FOR NEW BRUNSWICK REQUIRE SUPPORT.





THE AQUARIUM AND MARINE CENTRE IN SHIPPAGAN, WHICH IS ADMINISTERED BY OUR DEPARTMENT, HAS ALL THE BASIC EQUIPMENT REQUIRED TO BECOME A CENTRE OF EXCELLENCE TO SUPPORT AQUACULTURE DEVELOPMENT IN EASTERN NEW BRUNSWICK. WE MUST HOWEVER ENLIST THE SUPPORT OF THE FEDERAL GOVERNMENT, IF WE ARE TO DEVELOP AN ADEQUATE ARRAY OF SERVICES AS WELL AS RESEARCH AND DEVELOPMENT INITIATIVES TO FOSTER A COHERENT DEVELOPMENT OF AQUACULTURE ON OUR EAST COAST.

#### MONITORING GENETIC INTEGRITY AND THE ENVIRONMENT

AT SOME POINT, THERE MAY BE A NEED FOR A NATIONAL AQUACULTURE ACT, BUT AT THE PRESENT TIME, STRONGER HEALTH REGULATIONS AND GUIDELINES ARE NECESSARY IN ORDER TO FOSTER A SUCCESSFUL AQUACULTURE INDUSTRY. FOR EXAMPLE, LOWER LEVELS OF DISEASE TOLERANCE PRESENT IN THE CONCENTRATED STRESSFUL ENVIRONMENT OF COMMERCIAL AQUACULTURE REQUIRE INCREASED REGULATIONS,





THERE IS ALSO A DEFINITE NEED FOR ADDITIONAL DIAGNOSTIC AND VETERINARY SERVICES. TO MAINTAIN AND IMPROVE THE STANDARD FOR WHICH WE HAVE GAINED RECOGNITION IN THE MARKETPLACE, WE URGENTLY REQUIRE SERVICES LOCATED IN CLOSE PROXIMITY TO THE SALMON AQUACULTURE INDUSTRY TO SHORTEN THE TURN AROUND TIME FOR TREATMENT. THESE SERVICES WOULD ALLOW TESTING STARTING WITH THE EGG AND CONTINUING THROUGH ALL STAGES OF GROWTH.

A FRAMEWORK SHOULD BE ESTABLISHED FOR CROP INSURANCE WHICH WOULD MAKE PRESCRIBED HEALTH MEASURES FULLY EFFECTIVE. WITH INSURANCE IN PLACE, DISEASED STOCK COULD BE DESTROYED IF NECESSARY TO MAINTAIN THE HIGH QUALITY OF THE PRODUCT.

WE RECOGNIZE THAT DEVELOPMENT REQUIRES CHANGE. THERE IS A CERTAIN RATE OF CHANGE THAT CAN BE CONSIDERED ACCEPTABLE AND WE FEEL THAT THIS SHOULD BE KEPT IN MIND BY DEVELOPMENT AGENCIES IN THE PURSUIT OF ECONOMIC GAINS. RECENT SUCCESS IN SALMONID CULTURE HAS MITIGATED MUCH OF THE ADVERSE REACTION OF THE TRADITIONAL FISHERIES. MANY COMMERCIAL FISHERMEN AND WEIRSMEN NOW SEEK ENTRY TO THE AQUACULTURE BUSINESS. IN THE FACE OF THE GOLD RUSH MENTALITY, WE CONSIDER THAT IT IS IMPORTANT TO LOOK AT LONG-TERM GAINS FROM OUR RESOURCES.



ENVIRONMENTAL CONSTRAINTS PRESENT THE BIGGEST SINGLE UNKNOWN IN THIS DEVELOPMENT. THERE SIMPLY IS NO EASY ANSWER TO THE QUESTION OF HOW MUCH WE CAN PRODUCE IN A GIVEN AREA BEFORE DAMAGING THE ENVIRONMENT. THE PROBLEM IS EXTREMELY COMPLEX AND WE HAVE ONLY BEGUN, WITH THE COOPERATION OF DFO, TO ESTABLISH BENCH MARKS THAT CAN LEAD TO THE ESTABLISHMENT OF OBJECTIVE MEASURES OF OUR PRODUCTION CAPACITY. WE SEEK YOUR SUPPORT FOR THE RESOURCES NECESSARY TO ESTABLISH AN ADEQUATE MONITORING PROGRAM.

#### MARKETING CONSIDERATIONS

EXPANDED MARKETS FOR OUR PRODUCTS ARE BEING EXPLORED AND THE PROVINCE IS PARTICIPATING IN EXPOSITIONS AND FAIRS OUTSIDE THE PROVINCE TO GIVE OUR PRODUCTS MORE EXPOSURE.

WE HAVE SUPPORTED A CO-OPERATIVE APPROACH TOWARDS MARKETING AND HAVE ENCOURAGED THE USE OF GRADE STANDARDS. WE HAVE BEEN INVOLVED IN ACTIVELY PROMOTING THE PRODUCT AND HAVE ASSISTED WITH DISTRIBUTION.



WE ARE PRESENTLY MARKETING IN UPPER CANADA AND TO SOME EXTENT IN THE U.S. WE DO HOWEVER HAVE A WINDOW OF OPPORTUNITY FOR DEVELOPMENT. THERE IS SOME SENSE OF URGENCY TO BECOME ESTABLISHED AS A BONA FIDE SUPPLIER BUT WE ARE COGNIZANT THAT WE CAN ONLY INCREASE OUR DISTRIBUTION NETWORK AS WE INCREASE OUR PRODUCTION.

### FINANCIAL NEEDS

THERE ARE A NUMBER OF FINANCIAL ISSUES TO BE CONSIDERED. ONE OF THE KEY REQUIREMENTS IS FOR A MECHANISM THAT DEALS WITH THE HIGH WORKING CAPITAL REQUIREMENTS OF THE INDUSTRY. DEVELOPMENT MONIES SUCH AS THOSE AVAILABLE THROUGH ACOA ARE PLACING ADDED PRESSURES FOR ADDITIONAL CAPITAL INVESTMENT AT A TIME WHEN THE REGULATORY CAPACITY IS NOT PRESENT AND WHEN SMOLT SUPPLIES ARE NOT SUFFICIENT TO SERVICE THIS ACOA ENHANCED DEMAND. WE SHOULD STRIVE FOR A MORE BALANCED RATIONALIZED APPROACH TO DEVELOPMENT.

SOME OF THE FINANCIAL PRIORITIES TO CONSIDER ARE THE INFRASTRUCTURE NEEDS, HATCHERY DEVELOPMENT, DISEASE MONITORING AND TESTING, FISH FEED AND FISH WASTE UTILIZATION, AS WELL AS FINANCING AND FINANCIAL ARRANGEMENTS.





GIVEN THAT THE SALMON PRODUCTION IN THE BAY OF FUNDY HAS REACHED AN APPRECIABLE LEVEL, WE CAN BETTER DEFINE THE INFRASTRUCTURE NEEDS RELATED TO AQUACULTURE IN THAT REGION OF NEW BRUNSWICK. A WHARF IS URGENTLY REQUIRED FOR THE LIME KILN BAY AREA. THIS WHARF WOULD BE UTILIZED BY ALL OF THE CULTURE FACILITIES IN THE AREA FOR THE DELIVERY OF SMOLTS AND FEED SUPPLIES, THE HANDLING OF MARKETABLE PRODUCT AS WELL AS TO FACILITATE THE PLACEMENT OF NEW CAGES IN THE WATER.

ADDITIONAL ICE MAKING CAPABILITY IN THE TWENTY TO THIRTY TONNE RANGE IS NOW REQUIRED. COMMERCIAL FISHERMEN USING ICE FOR BAIT BOXES AND FISH HOLDS AS WELL AS LOCAL PROCESSING PLANTS WOULD ALSO USE ICE FROM THIS INSTALLATION.

## CONCLUSION

THERE ARE A NUMBER OF CONSTRAINTS THAT COULD HINDER AQUACULTURE DEVELOPMENT IN NEW BRUNSWICK.



WE MUST SET ASIDE JURISDICTIONAL DEBATES AND ISSUES IN ORDER TO PERMIT THE CONTINUED DEVELOPMENT OF AQUACULTURE AND THE REALIZATION OF ECONOMIC AND SOCIAL BENEFITS. IN THIS REGARD, WE HOPE THAT THE GOVERNMENTS OF CANADA AND NEW BRUNSWICK ARE OF ONE MIND. WHAT IS GOOD FOR NEW BRUNSWICK IS ALSO GOOD FOR CANADA.

WE RECOGNIZE THE NEED FOR AND STRONGLY RECOMMEND THE CONCLUSION OF A FEDERAL/PROVINCIAL AGREEMENT TO PROVIDE THE REQUIRED FUNDING AND SUPPORT TO THE INDUSTRY.

WE ARE SECOND TO NONE IN THE WORLD IN AQUACULTURE AND INTEND TO MAINTAIN THIS POSITION. YOUR SUPPORT AND EFFORT WOULD BE WELCOMED IN THIS CHALLENGING BUT REWARDING TASK.









